

Exhibit No. 2Date 2-3-11Bill No. SB 198

Sun, January 25, 2009
Support for SB 245 [now SB 189]

From: Rob Natelson
<rgnatelson@gmail.com>
View Contact

To: joebalyeat@yahoo.com

Dear Senator Balyeat:

Due to work commitments I cannot be at the hearing on SB 245 [now SB 198], but I do support the measure. When state government makes estimates of *expenditure*, it takes account of expected changes in the economy ["present law adjustment"]. That's why a level of expenditure higher than in the previous budget is often considered a "zero increase," or even a "cut."

It seems to me that if we can fairly consider the expected behavior of the economy as an antecedent to setting the level of *expenses*, we should do the same when estimating the level of *revenue*. While it may be difficult to estimate how the state economy will react to a major revenue initiative, the one answer that is surely wrong is that the economy will not react at all.

There are now a host of economic tools that can assist with dynamic revenue scoring. If there ever was a reason for sticking to the obsolete static model, that reason is long gone.

Thank you for sponsoring this bill.

Sincerely,
Rob Natelson
1113 Lincolnwood
Missoula MT 59802
406-721-2277